

<b>Subject:</b>	<b>Emergency Agreement to Supplier Relief for Home To School Transport Operators</b>		
<b>Date of Meeting:</b>	<b>14 May 2020</b>		
<b>Report of:</b>	<b>Interim Executive Director for Families, Children &amp; Learning</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Deb Austin</b>	<b>Tel: 01273 291407</b>
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<b>Ward(s) affected:</b>	<b>(All Wards);</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report provides a record of the use of officer urgency powers by the Interim Executive Director Families, Children and Learning in respect of supplier relief to Home to School Transport (HTST) providers.
- 1.2 The Council's Constitution contains provision, following consultation with the Chair of the relevant Committee, for the exercise of officer urgency powers where it is not reasonably practicable to obtain prior approval of a Committee or Subcommittee. In such cases, a record of the Officer Urgency Decision is made, including the detail of the consultation undertaken, and reported to the next available Committee.

**2. RECOMMENDATIONS:**

- 2.1 That the use of officer urgency powers by the Interim Executive Director Families Children and Learning in respect of supplier relief to Home to School Transport providers be noted.
- 2.2 That the provision of supplier relief as detailed in the in the report be agreed.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The COVID 19 pandemic has resulted in significant financial challenges for many of the council's HTST providers and there are vulnerabilities for the workforce of drivers and Vehicle Passenger Assistants. It is essential that providers are supported where necessary, so they can survive the impact of the crisis and resume the essential service they offer as soon as schools re-open.
- 3.2 Prior to any direction from the government, the council had already agreed to pay all HTST operators in full up to the end of March 2020 in recognition of the sudden loss of income from school closures. Operators who carried out runs over the Easter holidays have also been paid in full.

- 3.4 The Government's Policy Procurement Note of March 2020 states that public bodies should pay suppliers until the 30 June 'as normal' if they consider them to be 'at risk' over the current crisis, on the proviso that firms operate an 'open book' approach so public bodies can check that relief is genuinely needed and not being double-claimed.
- 3.5 The current crisis has resulted in significant financial challenges for many of the council's HTST providers, most of whom are heavily dependent on school runs for their financial viability. It is essential that firms are supported where necessary, so they can survive the impact of the crisis and resume the essential service they offer as soon as schools re-open.
- 3.6 The over-riding interest of the council in terms of HTST supplier relief is to ensure the sustainability of services for September 2020 and onwards, and it has been determined the following relief will need to be offered to HTST suppliers 'at risk':
- 3.7 Payment for:
- All journeys being undertaken currently
  - All fixed costs that cannot be reclaimed elsewhere
  - Full payment for the salaries of Vehicle Passenger Assistants, as they are considered a vulnerable workforce
  - Payment to 'top-up' the salaries of drivers and other staff on the furlough scheme or receiving self-employment pay (government schemes pay 80% of income up to a limit and the council would then pay the remaining 20% up to the same limit)
  - In addition, on a case by case basis, the council will consider any exceptional costs that may need to be incurred to ensure the sustainability of individual providers.
- 3.8 No payment will be made for the profit element of business, for costs not incurred (fuel etc) or for staff pay which can reasonably be reclaimed via government schemes (with the exception of VPAs as above). Any grants or other forms of relief obtained through government schemes will be subtracted from relief offered by the council.
- 3.9 All payments to transport providers will be made on a "open book" approach which will allow the council to inspect accounts to ensure firms are not double-claiming and that funds are being used to pay staff

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 In terms of undertaking an urgency decision, delay in confirming financial support for Home to School Transport providers would have created a risk that provision would not be in place when school re-open, either in the academic year 19/20 or from September for academic year 20/21
- 4.2 In terms of alternatives to the urgency decision made, a survey of a range of Local Authorities, who are either our geographical or statistical neighbours, was undertaken. This indicated a wide variety of responses to the payment of HTST providers.

4.3 The following options were considered and rejected:

- Pay in full for all contracts as normal irrespective of reduced journeys – that would have resulted in the council paying for costs that were not incurred (e.g. fuel and vehicle maintenance) and funding staff and other costs which could reasonably have been claimed via government schemes
- Pay only for the reduced number of journeys – current journeys are running at about 17% of normal and the financial consequences are likely to drive key firms out of business and would not guarantee the sustainability of services when schools re-open.
- Pay a retainer – we considered this option which has the benefit of simplicity – but the structure and business model of our home to school transport providers varies widely and a blanket retainer would inevitably had arbitrary ‘winners’ and ‘losers’ which would not secure the stability needed.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

5.1 Agreement of the Chair of Policy & Resources was obtained in advance of the decision being taken, as required by the constitution. The opposition spokespersons for the committee were consulted as required.

## **6. CONCLUSION**

6.1 The use of officer urgency powers has ensured that the Home to School Transport providers are appropriately supported during the COVID-19 crisis, thereby supporting the providers to be able to continue to provide transport for vulnerable children going forward.

## **7. FINANCIAL & OTHER IMPLICATIONS**

### **Financial Implications:**

7.1 The early forecast for 2020/21 originally estimated a full year spend on HTST of £3.6m resulting in a budget overspend of £1.2m. Supplier relief payments on the basis outlined within the report would see a reduction in the total expenditure on HTST. The value of the reduction is dependent on the length of time the current measures remain in place and decisions made on a case by case basis to support operators. Discussions are currently ongoing with operators and information is being gathered to support any offers made, so it is not possible at this stage to accurately quantify the final level of relief payments. Initial indicative estimates suggest that there could be a reduction in overall costs to the council of up to £0.475m. It should be noted that, in order to maintain a safe service further measures resulting in potentially significant additional costs may need to be considered when schools either partially or fully reopen.

Finance Officer Consulted: David Ellis

Date: 07/05/20

**Legal Implications:**

- 7.2 The legal implications are set out in the body of the report and in the record of the urgency decision.

Lawyer Consulted:

Alice Rowlands

Date: 11/05/20

**Equalities Implications:**

- 7.3 There are no direct equalities implications in this report. The supplier relief provided to HTST providers does not change eligibility for the service but does ensure essential service provision for vulnerable children with SEND going forward

**Sustainability Implications:**

- 7.4 There are no sustainability implications arising from this report.

**SUPPORTING DOCUMENTATION**

Appendices:

1. Record of Urgent Decision taken by the Interim Executive Director Families Children and Learning

Background Documents

None